

Message Text

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PAGE 01 VIENNA 03935 01 OF 02 121642Z

41

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 AS-01 OIC-02 EB-07 AID-05 L-03

AF-08 ARA-10 EA-09 NEA-10 COME-00 SIL-01 LAB-04

TRSE-00 DIWY-01 STR-04 SS-15 SP-02 H-02 NSC-05

CIAE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01 OMB-01

ABF-01 IGA-02 /144 W

----- 084185

R 121403Z MAY 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 8583

INFO USMISSION USUN NEW YORK

UNCLAS SECTION 1 OF 2 VIENNA 3935

EO 11652: NA

TAGS: PFOR, OCON, EAID, EIND, UNIDO

SUBJECT: UNIDO TENTH SESSION INDUSTRIAL DEVELOPMENT BOARD; AGENDA
ITEMS 6, 7, 8; DELEGATIONS REPORT NO. 7

REF: VIENNA 3685

1. SUMMARY: IDB PLENARY APRIL 27 COMPLETED DISCUSSION
AGENDA ITEM 8 (ORGANIZATIONAL AND FINANCIAL MATTERS) AND
BEGAN DISCUSSION OF AGENDA ITEMS 6 AND 7 (FOLLOW-UP TO LIMA
DECLARATION AND PLAN AND SS-VII). MAJOR SPEAKERS WERE
PERU, ITALY, CAMEROON, IVORY COAST, MALAYSIA, GREECE,
BRAZIL AND NETHERLANDS (FOR EEC) AND OBSERVERS FROM ICFTU AND
UNCTAD. EXECUTIVE DIRECTOR KHANE, IN RESPONSE TO US REQUEST,
GAVE OUTLINE OF PROGRAM PROPOSALS FOR 1977 AND AGREED TO US
SUGGESTION OF INFORMAL DELEGATION/SECRETARIAT MEETINGS FOR
FURTHER DISCUSSION OF PROGRAM. END SUMMARY.

2. CONTINUING DEBATE ON ITEM 8, PERU (FERNANDINI) AND ITALY
(PENSA) WERE CRITICAL OF REORGANIZATION OF UNIDO; PERU
BELIEVED UNIDO HEADQUARTERS STAFF WAS TOO LARGE AND
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PAGE 02 VIENNA 03935 01 OF 02 121642Z

NUMBER OF FIELD ADVISERS TOO SMALL, ITALY BELIEVED

THAT REORGANIZATION OF UNIDO INTO DIVISIONS HAVING SEPARATE "THINK-TANK" AND EXECUTING ROLES, WHICH WAS REFLECTED IN OBJECTIVES OF THE MEDIUM-TERM PLAN, THREATENED TO TURN UNIDO INTO "TWO-HEADED MONSTER". CAMEROON (HAYATOU), IVORY COAST (BOA) AND MALAYSIA (LIM) WERE CRITICAL OF ORGANIZATION'S EFFORTS TO PROMOTE ROLE OF WOMEN IN DEVELOPMENT AND WISHED SEE A HIGHER PROPORTION OF WOMEN, PARTICULARLY FROM LDC'S AMONG PROFESSIONAL STAFF.

3. AT THIS POINT, EX. DIR. KHANE, IN RESPONSE TO US SUGGESTION, GAVE BRIEF OUTLINE OF 1976-77 WORK PROGRAMS OF UNIDO'S THREE MAIN SUBSTANTIVE DIVISIONS. PROGRAM OF INTERNATIONAL CENTER FOR INDUSTRIAL STUDIES (ICIS) HAD BEEN DEVELOPED TO RESPOND TO LONG-FELT NEED FOR UNIDO EXPAND ITS INTELLECTUAL AND ANALYTICAL CAPACITY; IT AIMED TOWARD EVOLUTION OF CONCEPTS FOR INDUSTRIAL DEVELOPMENT AND EXECUTION OF STUDIES BENEFICIAL TO DC AND LDC MEMBERS PARTICULARLY IN AREAS OF INDUSTRIAL STRATEGIES, POLICIES AND TRENDS. ICIS WOULD USE ADVANCED METHODOLOGIES, SUCH AS COMPUTER-BASED MODELS OF WORLD INDUSTRIAL COOPERATION, TO CARRY OUT STUDIES IN FOLLOWING SECTORS PLANNED FOR 1976-77; IRON AND STEEL, FERTILIZERS, AGRO-INDUSTRIES, VEGETABLE OILS AND FATS, BUILDING MATERIALS, PETROCHEMICALS, LEATHER, ALUMINUM, TEXTILES, PHARMACEUTICALS, PULP AND PAPER AND AGRICULTURAL MACHINERY. GLOBAL, REGIONAL AND NATIONAL STUDIES WOULD CONCENTRATE ON DEVELOPING OVERALL FRAMEWORK FOR ANALYSIS AND FORMULATION OF POLICIES AND FOR ESTABLISHMENT OF A TECHNOLOGICAL INFO BANK. WORLD INTERDEPENDENCE DICTATED THAT STUDIES BE CARRIED OUT USING INTERNATIONAL APPROACH, BUT GIVING PARTICULAR ATTENTION TO PROBLEMS OF LDC'S.

4. TURNING TO INDUSTRIAL OPERATIONS DIVISION (IOD), EX. DIR. FORESAW REDUCED RATE OF IMPLEMENTATION IN 1976-77 WHICH HE ATTRIBUTED TO UNDP FINANCIAL CONSTRAINTS (SEE PARA 5 BELOW). UNIDO HAD UNDERTAKEN CONSULTATIONS WITH RES REPS AND GOVERNMENTS ON ALLOCATION UNCLASSIFIED

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PAGE 03 VIENNA 03935 01 OF 02 121642Z

OF THE REDUCED 1976-77 CEILINGS AND WOULD EMPHASIZE RAISING QUALITY OF T.A. ACTIVITIES OF POLICY COORDINATION DIVISION (PCD), HE CONTINUED, WOULD INCLUDE REGIONAL MEETINGS OF FIELD ADVISERS AND DISCUSSION WITH OTHER AGENCIES TO SET UP SYSTEMATIC NETWORK FOR COORDINATION CULMINATING ON ESTABLISHMENT OF ADVISORY COMMITTEE ON INDUSTRIAL DEVELOPMENT CALLED FOR IN LIMA DECLARATION AND PLAN. AGREEMENT ON A

SYSTEM OF CONSULTATIONS DURING 1976 WOULD PERMIT OPERATION OF THE SYSTEM IN 1977, FEATURING AT LEAST ONE CONSULTATION MEETING IN EACH DEVELOPING REGION AND SECTORAL CONSULTATIONS BASED ON ICIS SECTORAL SUTIDES. MEASURES WOULD BE TAKEN TO PROCURE EQUIPMENT AND EXPERTISE FROM LDC'S WHERE POSSIBLE, SPECIAL PROGRAMS DEVISED FOR LEAST DEVELOPED COUNTRIES, AND INTENSIVE EFFORTS UNDERTAKEN TO DRAW ON EXPERTISE AND RESOURCES OF INDUSTRIAL INSTITUTIONS AND NGO'S, HE CONCLUDED. EX. DIR.'S STATEMENT WAS FOLLOWED BY BRIEF RESPONSES BY DIVISION DIRECTORS TO QUESTIONS RAISED BY INDIVIDUAL DELEGATIONS.

5. UNDP OBSERVER (HARLAND) TOOK FLOOR TO DESCRIBE EFFORTS BEING MADE BY UNDP TO ALLEVIATE FINANCIAL CRISIS AND SURPRISED LISTENERS WITH NEWS THAT, BY DINT OF SPECIAL EFFORTS, UNDP WOULD MAINTAIN UNIDO PROGRAM FOR 1976 AT 99 PERCENT OF 1975 LEVEL. US (SCHUWEILER) THANKED EX. DIR. FOR HIS OUTLINE OF 1976-77 WORK PROGRAM BUT NOTED THAT UNIDO STILL HAD NO APPROVED PROGRAM OF WORK NOR MEDIUM-TERM PLAN. HE PROPOSED THAT SECRETARIAT INVITE MEMBERS OF IDB TO ENGAGE IN INFORMAL DISCUSSION OF WORK PROGRAM AND OF ISSUES FACING UNIDO IN 1978-81 TERM. EX. DIR. WELCOMED SUGGESTION AND TWO SUCH DISCUSSIONS, ATTENDED BY SCHUWEILER, WERE HELD.

6. WITH END OF DEBATE ON ITEM 8, PRESIDENT MEJDOUB PROPOSED THAT IDB ADOPT 1976-77 REGULAR PROGRAM OF TECHNICAL ASSISTANCE FOR UNIDO. PHILIPPINES (SIAZON) MOVED THAT ADOPTION SHOULD INCLUDE UNCLASSIFIED

UNCLASSIFIED

PAGE 04 VIENNA 03935 01 OF 02 121642Z

RECOMMENDATION THAT REGIONAL AND INTERREGIONAL ADVISERS BE FINANCED FROM REGULAR BUDGET AND NOT FROM PROGRAM OF TECHNICAL ASSISTANCE. MEJDOUB DEFLECTED THIS MOTION TO RESUMED SESSION OF IDB (SEE SEPTTEL) AND REGULAR PROGRAM OF TECHNICAL ASSISTANCE WAS ADOPTED. MEJDOUB ALSO ANNOUNCED THAT BUREAU OF IDB HAD MET AND ACCEPTED ALL CREDENTIALS.

7. DISCUSSION OF ITEMS 6 AND 7 (FOLLOW-UP OF LIMA DECLARATION AND PLAN AND RECOMMENDATIONS OF SS-VII) BEGAN WITH INTRODUCTION OF CONSULTATIONS ITEM (ID/B/162) BY UNIDO STAFF MEMBER HACINI (ALGERIA). HE DESCRIBED THE SYSTEM OF CONSULTATIONS PROPOSED IN REF. DOCUMENT, OUTLINING THE COMPLEX COMMITTEE STRUCTURE, INCLUDING PERMANENT INDUSTRIAL SECTORAL

COMMITTEES, A PERMANENT COMMISSION ON INDUSTRIAL
CONSULTATIONS, REGIONAL COMMITTEES,
AND AD HOC COMMITTEES FOR INTER-REGIONAL CONSULTATIONS.
GREECE (KOUYEVETOPOULOS), BRAZIL (MESQUITA) AND THE
NETHERLANDS (BOT- SPEAKING FOR EEC) ALL CRITICIZED
THE "HUGE AND CUMBERSOM" INSTITUTIONAL MACHINERY

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PAGE 01 VIENNA 03935 02 OF 02 121539Z

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ABF-01 IGA-02 /144 W
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UNCLAS SECTION 2 OF 2 VIENNA 3935

OF THE UNIDO PROPOSAL AND PROPOSED THAT CONSULTATIONS
BE HELD AT SECTORAL LEVEL, AS PLANNED, PENDING
FURTHER STUDY AND EXPERIENCE. EEC STATEMENT HELD
THAT PRIMARY USEFULNESS OF CONSULTATIONS WOULD BE
IN EXCHANGE OF INFORMATION, INCLUDING PARTICIPATION
OF BUSINESS AND LABOR INTERESTS TO IDENTIFY PRIORITY
AREAS FOR COOPERATION, IDENTIFY OPPORTUNITIES FOR
JOINT VENTURES AND OTHER TYPES OF COOPERATION. STATEMENT
EMPHASIZED EEC APPROACH TO CONSULTATIONS AS
EMBODIED IN LOME CONSTITUTION.

8. ICFTU OBSERVER (HUMMEL) RECALLED DECISION OF ICFTU
MEXICO CONGRESS TO ENDORSE LIMA DECLARATION AND PLAN;
ICFTU CALLED FOR DRASTIC REVISION OF PARIS
CONVENTION TO EASE ACQUISITION OF TECHNOLOGY BY LDC

USERS. WHILE ICFTU WAS UNDERTAKING EDUCATE ITS MEMBERS ABOUT NEEDS OF LDC'S, ANY QUESTION OF REDEPLOYMENT REQUIRED CAUTIOUS APPROACH TO ENSURE EXPANSION OF EMPLOYMENT EVERYWHERE. ORGANIZED LABOR EXPECTED BE BROUGHT FULLY INTO ANY UNIDO SYSTEM OF CONSULTATIONS. UNCTAD OBSERVER (HUMMEL) ESTIMATED THAT UNCLASSIFIED

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PAGE 02 VIENNA 03935 02 OF 02 121539Z

ACHIEVEMENT OF LIMA DECLARATION TARGET WOULD REQUIRE 14-FOLD INCREASE OF 1972 LEVEL OF LDC INDUSTRIAL PRODUCTION AND SIMILAR INCREASE IN FLOW OF MANUFACTURES FROM LDC'S TO DC'S. UNCTAD-IV WOULD RECEIVE PROPOSAL FOR COMPREHENSIVE STRATEGY FOR EXPANSION OF LDC EXPORTS TO DC'S; UNCTAD WISHED UNDERTAKE REGULAR CONSULTATIONS WITH UNIDO ESPECIALLY IN FIELD OF INDUSTRIAL RESTRUCTURING (REDEPLOYMENT). UNCTAD STATEMENT ENDED DEBATE APRIL 27.

9. COMMENT: HARLAND STATEMENT (UNDP), PLEDGING THAT UNDP WOULD MAINTAIN UNIDO PROGRAM LEVEL AT 99 PERCENT OF 1975 FIGURE, CAME AS SURPRISE TO BOARD (AND, APPARENTLY, ALSO TO UNIDO SECRETARIAT, IN VIEW OF EARLIER STATEMENTS BY EX. DIR. KHANE AND OTHER SENIOR OFFICIALS PREDICTING DECLINE IN UNIDO IMPLEMENTATION DUE TO UNDP SHORTFALLS). EX. DIR. KHANE HAD BRUSHED OFF EARLIER SUGGESTION BY USDEL DURING PC-VII THAT REORGANIZATION OF UNIDO SECRETARIAT MIGHT ALSO BE CONTRIBUTING CAUSE OF EXPECTED REDUCTION OF UNIDO EFFICIENCY DURING 1976; IF UNDP PLEDGE HOLDS, KHANE WILL FIND IT DIFFICULT TO AVOID FACING THIS QUESTION AT FUTURE MEETINGS. STIBRAVY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, MEETING REPORTS, INTERNATIONAL ORGANIZATIONS, MEETING DELEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VIENNA03935
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760183-0591
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760560/aaaabzux.tel
Line Count: 258
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 VIENNA 3685
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 28 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 JUN 2004 by wolfsd>; APPROVED <19 JAN 2005 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNIDO TENTH SESSION INDUSTRIAL DEVELOPMENT BOARD; AGENDA ITEMS 6, 7, 8; DELEGATIONS REPORT NO. 7
TAGS: PFOR, OCON, EAID, EIND, UNIDO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006